

Deprcon warning: Political uncertainty (12/11/2020)

- 19 US states, led by Texas, have joined in a lawsuit asking the U.S. Supreme Court to act on alleged election fraud.
- European political unity seems increasingly fragile and dissatisfaction is growing.
- We urge our subscribers to be prepared for dramatic and unexpected political events with possibly-serious repercussions.

Under the radar of the mainstream media, the mutiny against the November Presidential elections in the U.S. continues to grow. In a drastic move, the state of Texas issued a lawsuit against Wisconsin, Michigan, Pennsylvania and Georgia at the U.S. Supreme Court alleging voter fraud. The list of complaints includes: abolishing signature verification, insecure ballot handling, inconsistent state wide standards and exclusion of bipartisan observers.

This is highly exceptional and the text of the lawsuit, docketed by the Supreme Court, makes straightforward claims for voter fraud. A total of 18 states have joined Texas. Some Democrat-controlled states have made a counter-lawsuit. The political battlelines are hardening.

We cannot caution enough how serious this is. If the Supreme Court rules that there has been a fraudulent election, what would be the public response in the highly-divided political environment? What will the states or their citizens do, if the Supreme Court declines their complaint? These are truly troubling questions with extremely severe potential outcomes.

And, financial markets and most of the population in Western countries seem to be completely unaware of this potential time-bomb ticking in the U.S.

While the European leadership agreed on the €750 billion recovery fund, after the mutiny of Hungary and Poland against the rule of law principle associated with the Fund, its passing in all 27 parliaments remains uncertain. Demonstrations against the lockdowns have erupted in many countries in Europe. Political divisions and frustration are growing.

Alas, political uncertainty is currently running extremely high. We urge our customers to be prepared for abrupt political shocks shaking both financial markets and the foundations of Western democracies. Their probability, while still relatively low, is currently growing at alarming rate.